

# P&G Hygiene and Healthcare

BSE SENSEX 82,948 S&P CNX 25,378

**CMP: INR16,540 TP: INR17,000 (+3%) Neutral**



## Stock Info

	PG IN
Bloomberg	PG IN
Equity Shares (m)	32
M.Cap.(INRb)/(USDb)	536.9 / 6.4
52-Week Range (INR)	19180 / 15306
1, 6, 12 Rel. Per (%)	-6/-14/-31
12M Avg Val (INR M)	142
Free float (%)	29.4

## Financials Snapshot (INR b)

Y/E June	FY24	FY25E	FY26E
Sales	42.1	46.8	51.6
Sales Gr. (%)	7.5	11.3	10.3
EBITDA	9.8	11.5	12.9
Margin (%)	23.4	24.5	25.0
Adj. PAT	7.2	8.5	9.6
Adj. EPS (INR)	220.3	260.2	296.4
EPS Gr. (%)	15.1	18.2	13.9
BV/Sh.(INR)	238.7	290.8	350.2

## Ratios

RoE (%)	83.2	98.4	92.6
RoCE (%)	87.4	109.4	101.9

## Valuations

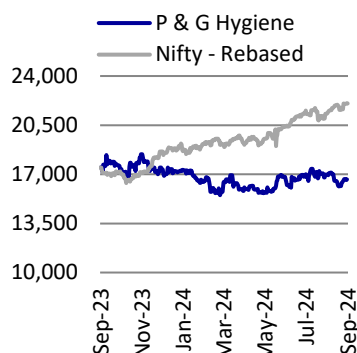
P/E (x)	72.9	61.7	54.2
P/BV (x)	67.3	55.2	45.9
EV/EBITDA (x)	52.4	44.8	39.6
Div. Yield (%)	1.6	1.3	1.5

## Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	70.6	70.6	70.6
DII	15.2	15.1	15.5
FII	1.6	1.6	1.1
Others	12.7	12.7	12.7

FII Includes depository receipts

## Stock Performance (1-year)



## Focusing on sustainable growth; rich valuation limits upside

We attended the analyst meet of PG and following are the key takeaways.

- During the analyst meet, the management highlighted: (a) potential for double-digit sales growth, particularly in the feminine hygiene segment, in which per-capita spending is currently only one-sixth of that in China; (b) the possibility of accelerating revenue growth following a 1.5x increase in distribution reach compared to three years ago; (c) growing momentum in new portfolio innovations such as Whisper Ultra hygiene products and Vicks Roll-On for headaches; and (d) cost savings to continue (savings of INR1.13b in FY24, ~3% of sales).
- PG has delivered sales/EBITDA/APAT growth of 8%/13%/15% in FY24. Gross margin expanded by 400bp YoY to 61.6% during the year, out of which 260bp was reinvested in A&P (up 33 % YoY in FY24). EBITDA margin moderated by 120bp YoY to 23.4%.
- The company has delivered growth over the years through a strong portfolio of products, superior packaging, brand communication, and retail execution. It has delivered a CAGR of 7%/10%/11% in sales/EBITDA/ APAT over FY19-24. EBITDA margin has improved by ~270bp over the same period.
- **The stock trades at an expensive valuation of 62x/54x FY25E/FY26E EPS. We reiterate Neutral rating on the stock.**

## Valuation and view

- There is no change in our estimates after the analyst meet.
- Two factors make PG an attractive long-term core holding: 1) robust growth potential in the feminine hygiene segment (65-68% mix of FY24 sales) and the potential for market share gains, aided by strategic initiatives, including the fortification of significant market advantages, and 2) potential for higher margin gains from the long-term trend of premiumization in the feminine hygiene segment.
- With a portfolio of essentials and healthcare, PGHH focuses on product innovation-led customer acquisition. Penetration play would continue, but at a stable pace, despite the high scope of user additions. The stock trades at expensive valuations of 62x/54x FY25E/FY26E P/E. We do not see any medium-term trigger. Reiterate Neutral with a TP of INR17,000 (55x Jun'26E EPS).

Naveen Trivedi – Research Analyst (Naveen.Trivedi@motiloswal.com)

Research Analyst: Pratik Prajapati (pratik.prajapati@motiloswal.com) | Tanu Jindal (Tanu.Jindal@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

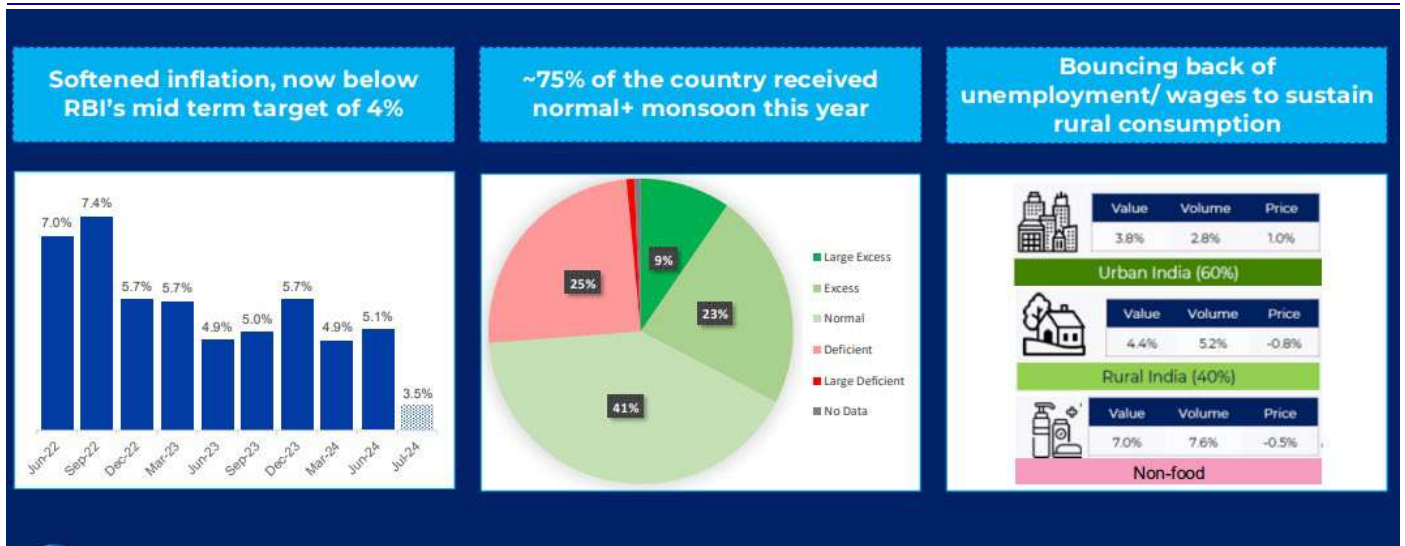
Motilal Oswal research is available on [www.motiloswal.com/Institutional-Equities](http://www.motiloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

**Key points from analyst meet**

**Business environment**

- The FMCG sector has witnessed a favorable recovery in volume growth. In FY24, the industry posted a ~4% increase in volume, and it is anticipated to deliver mid-single-digit growth in FY25.
- Improving consumption trends are emerging, driven by easing inflation and favorable monsoon patterns, which are expected to boost rural demand.
- Inflation has moderated, dropping to below 4% in Jul'24. Additionally, 75% of the country has experienced normal monsoon this year, further supporting agricultural output and rural spending.
- The rebound in employment is playing a crucial role in sustaining rural consumption, as improved income stability in rural areas stimulates purchasing power and demand for everyday goods.

**Exhibit 1: Positive consumption trends**



Source: Company, MOFSL

**Strategic pillars for integrated growth strategy**

- ❖ **Portfolio of daily use products**
  - PG has presence across a wide range of products and price points in the feminine hygiene and healthcare categories.
  - The company commands market leadership in both categories as it has a near 50% market share in the feminine category and more than 50% share in the healthcare category.
- ❖ **Superiority to win with customers**
  - PG is leveraging superiority to grow the market. The company is focusing on creating superior propositions across product, packaging, brand communication, retail execution and customer value equation.
- ❖ **Productivity to boost investment**
  - PG integrates productivity strategy across the value chain in materials, manufacturing, overhead, ad spending and working capital. As a result, the company was able to garner savings of INR1.13b in FY24 (~3% of sales) on account of improved efficiency and operational productivity.

- These savings are reinvested into the business to drive future growth, innovation, and market expansion.
- ❖ **Constructive disruption**
  - PG is leveraging global expertise in digital transformation, using artificial intelligence (AI) and machine learning to drive innovation and efficiency.
  - The company has shifted from a cluster-based planning approach to a store-based planning approach, allowing for more localized and precise marketing and sales efforts.
  - It is investing significantly in supply chain for range and higher growth opportunities.
- ❖ **Efficient organization structure**
  - PG's organizational philosophy focuses on being agile, empowered, and accountable. The company ensures that its teams are flexible and responsive to market needs while maintaining accountability at every level of operation.
  - The company's strategic ad spending includes campaigns that educate both mothers and young girls, aiming to create awareness and empower them with knowledge about healthcare and hygiene. This disruptive approach to advertising helps drive brand awareness and customer engagement.

Exhibit 2: Strategic pillars for integrated growth



Source: Company, MOFSL

### Financial Performance

- In FY24, sales and PAT grew by 8% and 15%, respectively. Over the last five years, company has delivered a CAGR of 7%/10%/11% in sales/EBITDA/PAT.
- A&P expenses have increased at a faster rate than revenue growth for PG, as the company continues to leverage its strong presence in advertising to address bias through its long-standing brand initiatives. The focus is on increasing awareness, expanding customer touchpoints, and building long-term trust. Additionally, new product launches will further drive up spending.
- The absolute ad spending increased by 81% to INR5.7b in FY24 from INR3.1b in FY19. In 4QFY24, ad spending jumped 187% YoY, leading to a dip in margins.

- PG's margin has expanded by ~270bp over the last five years, from 20.7% in FY19 to 23.4% in FY24.
- It has been consistently paying dividends for the past 30 years. In FY24, the company paid a total dividend of INR255 per share, including a one-time special dividend of INR60 per share.

### Segmental information

- The feminine hygiene market, currently valued at around INR34b, is expected to grow at a double-digit rate over the next 3-4 years.
- PG commands ~50% market share in the feminine hygiene category and more than 50% in the healthcare category.
- The feminine category has grown 100x in the last 30 years.
- Penetration of feminine care products stands at 60% in urban India but remains below 40% in rural areas, indicating significant growth potential.
- There is substantial room for market expansion, as India's per capita spending on feminine care is just one-sixth of China's.
- While competition in the sector is intense, PG sees this as a positive force driving overall category growth. The company has a diverse product range to meet consumer needs.
- PG's strategy of consistently challenging social taboos surrounding feminine care has been highly effective in fostering growth within the category.

Exhibit 3: Products in feminine care category



Source: Company, MOFSL

Exhibit 4: Products in healthcare category



Source: Company, MOFSL

### Distribution expansion and innovation

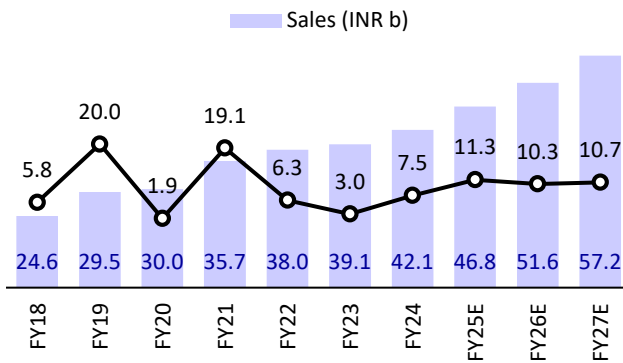
- The company has developed an in-house AI and machine-learning algorithm that analyses consumer behavior to customize product offerings at the store level. Over the past three years, the company has expanded its distribution reach by 1.5x, with its healthcare distribution through the chemist channel growing by 1.2x.
- Its products are now available across all major e-commerce and quick-commerce platforms, broadening consumer access.
- PG continues to focus on product innovation and brand enhancement within its portfolio to cater to the evolving and diverse needs of its customers.

### Other points

- The P&G Shiksha program has significantly improved the learning environment and empowered marginalized communities. Presently, it collaborates with ~1,000 schools and positively impacts over 4.5m children.

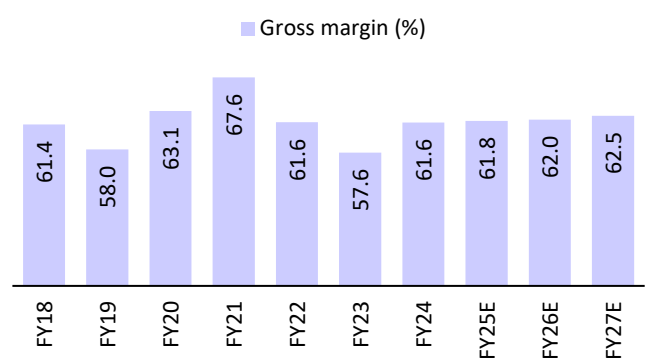
Story in charts

Exhibit 5: Net sales expected to grow in double digits



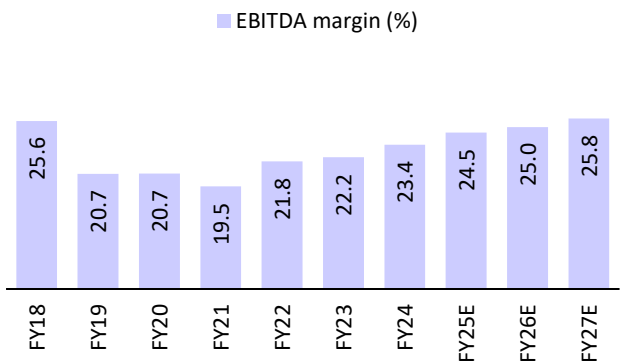
Source: Company, MOFSL

Exhibit 6: GP margin expected to remain steady



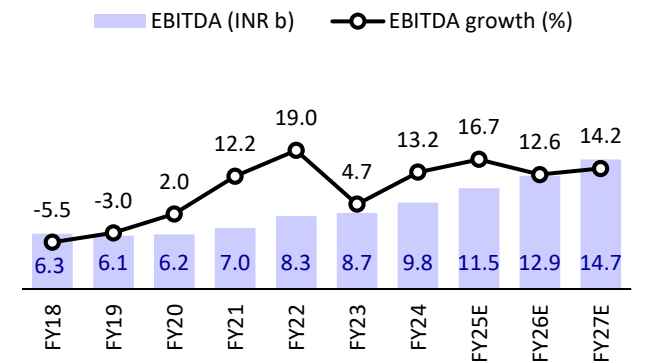
Source: Company, MOFSL

Exhibit 7: Gradual improvement in EBITDA margins...



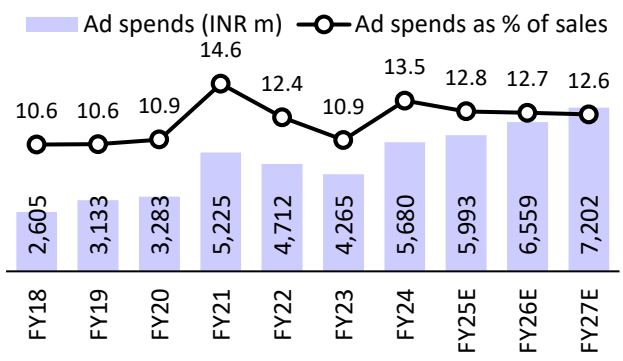
Source: Company, MOFSL

Exhibit 8: ..with 15% EBITDA CAGR expected in FY24-27E



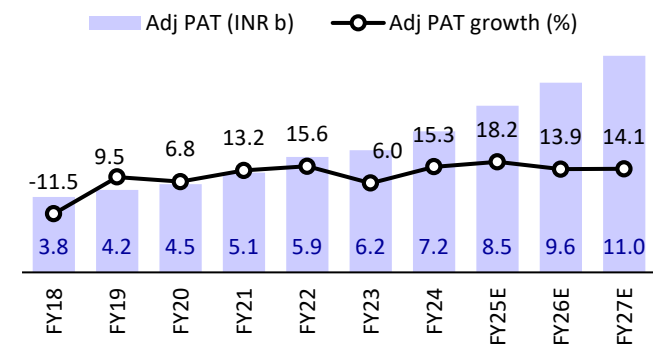
Source: Company, MOFSL

Exhibit 9: Ad spending grew in FY24 and will continue to rise going forward



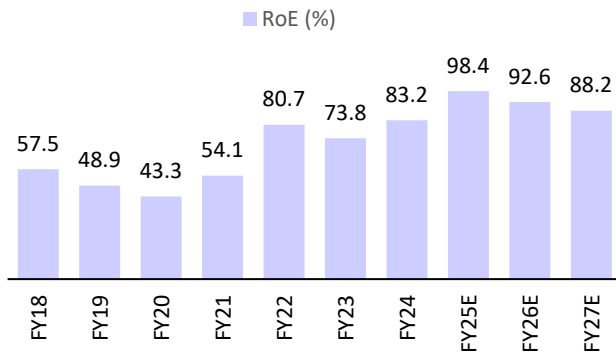
Source: Company, MOFSL

Exhibit 10: Adj. PAT expected to grow ~15% over FY24-27E



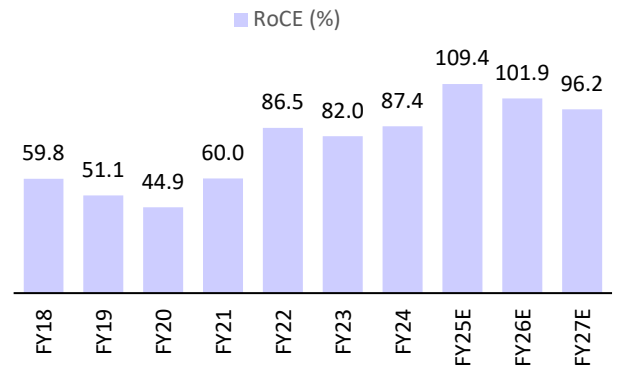
Source: Company, MOFSL

**Exhibit 11: Improvement in ROE in FY24...**



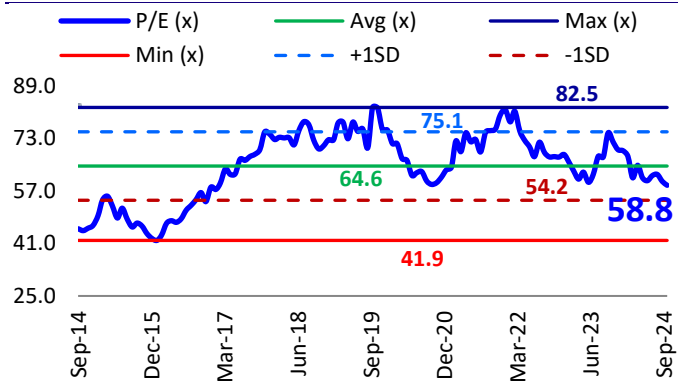
Source: Company, MOFSL

**Exhibit 12: ...along with RoCE in FY24**



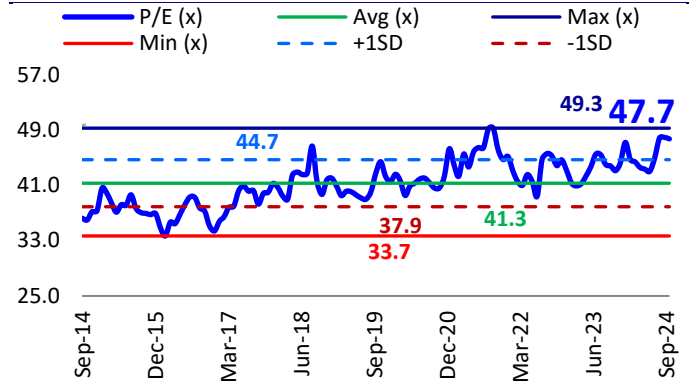
Source: Company, MOFSL

**Exhibit 13: PGHH's P/E (x)**



Source: Company, MOFSL

**Exhibit 14: Consumer sector P/E (x)**



Source: Company, MOFSL

## Financials and Valuations

### Standalone - Income Statement

(INR m)

Y/E June	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Total Income from Operations</b>	<b>29,469</b>	<b>30,020</b>	<b>35,741</b>	<b>37,998</b>	<b>39,123</b>	<b>42,057</b>	<b>46,817</b>	<b>51,648</b>	<b>57,160</b>
Change (%)	20.0	1.9	19.1	6.3	3.0	7.5	11.3	10.3	10.7
Raw Materials	12,368	11,068	11,593	14,582	16,575	16,142	17,884	19,626	21,435
% of Sales	42.0	36.9	32.4	38.4	42.4	38.4	38.2	38.0	37.5
Employees Cost	1,338	1,733	2,017	2,143	2,058	2,456	2,669	2,892	3,201
% of Sales	4.5	5.8	5.6	5.6	5.3	5.8	5.7	5.6	5.6
Other Expenses	9,670	11,003	15,160	12,974	11,805	13,626	14,794	16,217	17,777
% of Sales	32.8	36.7	42.4	34.1	30.2	32.4	31.6	31.4	31.1
<b>Total Expenditure</b>	<b>23,376</b>	<b>23,804</b>	<b>28,770</b>	<b>29,699</b>	<b>30,437</b>	<b>32,224</b>	<b>35,347</b>	<b>38,736</b>	<b>42,413</b>
% of Sales	79.3	79.3	80.5	78.2	77.8	76.6	75.5	75.0	74.2
<b>EBITDA</b>	<b>6,093</b>	<b>6,216</b>	<b>6,972</b>	<b>8,299</b>	<b>8,686</b>	<b>9,833</b>	<b>11,470</b>	<b>12,912</b>	<b>14,747</b>
Margin (%)	20.7	20.7	19.5	21.8	22.2	23.4	24.5	25.0	25.8
Depreciation	498	479	477	529	584	565	653	669	703
<b>EBIT</b>	<b>5,595</b>	<b>5,738</b>	<b>6,495</b>	<b>7,770</b>	<b>8,103</b>	<b>9,268</b>	<b>10,818</b>	<b>12,243</b>	<b>14,045</b>
Int. and Finance Charges	55	61	61	112	114	268	115	110	113
Other Income	533	441	394	243	406	523	605	748	765
<b>PBT after EO Exp.</b>	<b>6,073</b>	<b>6,013</b>	<b>8,277</b>	<b>7,800</b>	<b>8,966</b>	<b>9,082</b>	<b>11,308</b>	<b>12,881</b>	<b>14,697</b>
Total Tax	1,882	1,642	1,759	2,042	2,184	2,674	2,850	3,246	3,704
Tax Rate (%)	31.0	27.3	21.3	26.2	24.4	29.4	25.2	25.2	25.2
<b>Reported PAT</b>	<b>4,191</b>	<b>4,371</b>	<b>6,518</b>	<b>5,757</b>	<b>6,781</b>	<b>6,718</b>	<b>8,458</b>	<b>9,635</b>	<b>10,993</b>
<b>Adjusted PAT</b>	<b>4,191</b>	<b>4,476</b>	<b>5,068</b>	<b>5,858</b>	<b>6,210</b>	<b>7,159</b>	<b>8,458</b>	<b>9,635</b>	<b>10,993</b>
Change (%)	9.5	6.8	13.2	15.6	6.0	15.3	18.2	13.9	14.1
Margin (%)	14.2	14.9	14.2	15.4	15.9	17.0	18.1	18.7	19.2

### Standalone - Balance Sheet

(INR m)

Y/E June	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	325	325	325	325	325	325	325	325	325
Total Reserves	8,766	11,254	6,818	7,051	9,136	7,424	9,116	11,043	13,241
<b>Net Worth</b>	<b>9,091</b>	<b>11,579</b>	<b>7,143</b>	<b>7,376</b>	<b>9,460</b>	<b>7,749</b>	<b>9,440</b>	<b>11,367</b>	<b>13,566</b>
Deferred Tax Liabilities	-368	-296	-380	-519	-655	-749	-824	-906	-997
Total Loans	0	15	35	19	8	0	0	0	0
<b>Capital Employed</b>	<b>8,723</b>	<b>11,298</b>	<b>6,797</b>	<b>6,876</b>	<b>8,813</b>	<b>7,000</b>	<b>8,617</b>	<b>10,461</b>	<b>12,569</b>
Gross Block	4,000	4,495	4,719	5,012	5,582	5,838	6,036	6,236	6,436
Less: Accum. Deprn.	1,657	2,430	2,881	3,376	3,881	4,446	5,099	5,768	6,471
<b>Net Fixed Assets</b>	<b>2,342</b>	<b>2,065</b>	<b>1,838</b>	<b>1,637</b>	<b>1,700</b>	<b>1,392</b>	<b>937</b>	<b>468</b>	<b>-35</b>
Goodwill on Consolidation	0	0	0	0	0	0	0	0	0
Capital WIP	146	222	376	439	228	278	278	200	200
<b>Total Investments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>13,315</b>	<b>15,702</b>	<b>13,733</b>	<b>14,231</b>	<b>18,790</b>	<b>16,168</b>	<b>17,606</b>	<b>21,035</b>	<b>24,820</b>
Inventory	2,034	2,051	2,493	2,340	2,198	2,256	2,822	3,113	3,445
Account Receivables	1,814	1,663	1,424	1,921	2,163	2,408	2,822	3,113	3,445
Cash and Bank Balance	5,405	9,025	6,602	6,393	9,780	5,882	7,313	10,160	13,281
Loans and Advances	4,063	2,963	3,214	3,578	4,649	5,622	4,649	4,649	4,649
<b>Curr. Liability &amp; Prov.</b>	<b>7,080</b>	<b>6,691</b>	<b>9,150</b>	<b>9,431</b>	<b>11,905</b>	<b>10,837</b>	<b>10,204</b>	<b>11,242</b>	<b>12,416</b>
Account Payables	5,477	5,313	7,541	7,798	9,711	8,517	7,768	8,562	9,468
Other Current Liabilities	895	587	731	710	1,036	1,185	1,303	1,433	1,577
Provisions	709	790	878	923	1,158	1,136	1,133	1,247	1,371
<b>Net Current Assets</b>	<b>6,235</b>	<b>9,011</b>	<b>4,583</b>	<b>4,801</b>	<b>6,885</b>	<b>5,331</b>	<b>7,402</b>	<b>9,794</b>	<b>12,404</b>
<b>Appl. of Funds</b>	<b>8,723</b>	<b>11,298</b>	<b>6,797</b>	<b>6,876</b>	<b>8,813</b>	<b>7,000</b>	<b>8,617</b>	<b>10,461</b>	<b>12,569</b>

E: MOFSL Estimates

## Financials and Valuations

Ratios	(INR m)								
Y/E June	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Basic (INR)</b>									
<b>EPS</b>	<b>129.0</b>	<b>137.7</b>	<b>156.1</b>	<b>180.5</b>	<b>191.3</b>	<b>220.3</b>	<b>260.2</b>	<b>296.4</b>	<b>338.3</b>
Cash EPS	144.5	152.7	170.8	196.8	209.3	237.9	280.7	317.4	360.3
BV/Share	280.1	356.7	220.0	227.2	291.4	238.7	290.8	350.2	417.9
DPS	101	105	315	160	185	255	208	237	271
Payout (%)	78.6	78.1	202.0	88.8	96.8	123.4	80.0	80.0	80.0
<b>Valuation (x)</b>									
P/E	124.5	116.6	102.9	89.0	83.9	72.9	61.7	54.2	47.5
Cash P/E	111.2	105.2	94.0	81.6	76.7	67.5	57.2	50.6	44.6
P/BV	57.3	45.0	73.0	70.7	55.1	67.3	55.2	45.9	38.4
EV/Sales	17.5	17.1	14.4	13.6	13.1	12.3	11.0	9.9	8.9
EV/EBITDA	84.7	82.4	73.8	62.0	58.9	52.4	44.8	39.6	34.4
Dividend Yield (%)	0.6	0.7	2.0	1.0	1.2	1.6	1.3	1.5	1.7
FCF per share	126.4	130.5	256.2	161.2	240.7	155.4	239.8	308.0	349.8
<b>Return Ratios (%)</b>									
RoE	48.9	43.3	54.1	80.7	73.8	83.2	98.4	92.6	88.2
RoCE	51.1	44.9	60.0	86.5	82.0	87.4	109.4	101.9	96.2
<b>Working Capital Ratios</b>									
Asset Turnover (x)	3.4	2.7	5.3	5.5	4.4	6.0	5.4	4.9	4.5
Inventory (Days)	20	25	23	23	21	22	22	22	22
Debtor (Days)	20	21	16	16	19	22	22	22	22
Creditor (Days)	59	66	66	74	82	60	60	60	60
Net WCC	-18	-20	-27	-34	-41	-16	-16	-16	-16
<b>Growth (%)</b>									
Sales	20.0	1.9	19.1	6.3	3.0	7.5	11.3	10.3	10.7
EBITDA	-3.0	2.0	12.2	19.0	4.7	13.2	16.7	12.6	14.2
PAT	9.5	6.8	13.2	15.6	6.0	15.3	18.2	13.9	14.1
<b>Leverage Ratio (x)</b>									
Current Ratio	1.9	2.3	1.5	1.5	1.6	1.5	1.7	1.9	2.0
Interest Cover Ratio	102.1	94.5	106.3	69.4	71.2	34.6	94.1	111.3	124.0
Debt/Equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Standalone - Cash Flow Statement	(INR m)								
Y/E June	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
PBT	6,073	5,939	8,699	7,901	8,395	9,392	11,308	12,881	14,697
Depreciation	498	479	477	529	584	565	653	669	703
Net interest expense	-317	-266	-250	-154	-237	-367	-490	-638	-652
Others	54	203	139	115	67	97	0	0	0
(Inc)/Dec in WC	172	-179	2,101	-166	1,745	-2,321	-640	455	510
Taxes	-2,350	-1,435	-2,534	-2,494	-2,295	-2,782	-2,850	-3,246	-3,704
<b>CF from Operations</b>	<b>4,130</b>	<b>4,741</b>	<b>8,631</b>	<b>5,731</b>	<b>8,258</b>	<b>4,584</b>	<b>7,981</b>	<b>10,121</b>	<b>11,553</b>
<b>CF from Operating incl EO</b>	<b>4,130</b>	<b>4,741</b>	<b>8,631</b>	<b>5,731</b>	<b>8,258</b>	<b>4,584</b>	<b>7,981</b>	<b>10,121</b>	<b>11,553</b>
(Inc)/Dec in FA	-28	-503	-315	-497	-444	461	-198	-123	-200
<b>Free Cash Flow</b>	<b>4,102</b>	<b>4,237</b>	<b>8,317</b>	<b>5,234</b>	<b>7,814</b>	<b>5,045</b>	<b>7,783</b>	<b>9,999</b>	<b>11,353</b>
Others	451	1,265	325	246	344	-325	605	748	765
<b>CF from Investments</b>	<b>416</b>	<b>783</b>	<b>11</b>	<b>-251</b>	<b>-100</b>	<b>136</b>	<b>407</b>	<b>625</b>	<b>565</b>
Dividend Paid	-3,131	-1,878	-11,037	-5,681	-4,707	-8,602	-6,766	-7,708	-8,795
Interest Paid	-7	-9	-10	-25	-51	-5	-115	-110	-113
Others	0	-16	-18	16	-12	-10	-75	-82	-91
<b>CF from Fin. Activity</b>	<b>-3,137</b>	<b>-1,903</b>	<b>-11,064</b>	<b>-5,689</b>	<b>-4,770</b>	<b>-8,618</b>	<b>-6,956</b>	<b>-7,900</b>	<b>-8,998</b>
<b>Inc/Dec of Cash</b>	<b>1,409</b>	<b>3,621</b>	<b>-2,423</b>	<b>-210</b>	<b>3,387</b>	<b>-3,898</b>	<b>1,431</b>	<b>2,847</b>	<b>3,120</b>
Opening Balance	3,996	5,405	9,025	6,603	6,393	9,780	5,882	7,314	10,160
<b>Closing Balance</b>	<b>5,405</b>	<b>9,025</b>	<b>6,603</b>	<b>6,393</b>	<b>9,780</b>	<b>5,882</b>	<b>7,314</b>	<b>10,160</b>	<b>13,281</b>

E: MOFSL Estimates

Investment in securities market are subject to market risks. Read all the related documents carefully before investing



Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

\*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

#### Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on [www.motilaloswal.com](http://www.motilaloswal.com). MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://online-reports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com). Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

#### Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

#### For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

#### For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

#### For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to [grievances@motilaloswal.com](mailto:grievances@motilaloswal.com).

Nainesh Rajani

Email: [nainesh.rajani@motilaloswal.com](mailto:nainesh.rajani@motilaloswal.com)

Contact: (+65) 8328 0276

#### Specific Disclosures

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
- 5 Research Analyst has not served as director/officer/employee in the subject company
- 6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
- 10 MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)

- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

#### Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

#### Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

#### Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alterations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal,

Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.